

apply to Treasury Board for the approval of a certain program. In other words, whereas ultimately your programs have to be approved by Treasury Board, by the Government of the day, and by Parliament, at the beginning you do have much to say as to the allocation of resources.

Dr. Schneider: When we submit the Estimates, and since this is an external support program, we make the case on the basis of demonstrated need. Of course, this was also the policy not only of the federal Government but of provincial governments as well, to strengthen and build up universities, so that we would have more trained manpower.

I should point out that we support only graduate research: we are not concerned with the undergraduate programs.

The growth of the universities has been such, and the number of students has been such, that there had to be this escalation in this program, because we still had a continuing shortage of manpower.

We have come to a stage now where we have to look at this. Unless there are many more opportunities opening up in industrial research and applied sciences, there may not be the same justification for the kind of increases we have had in the past.

Senator Grosart: I am not making any objection to the support you have given to universities, in any way, shape or form. But what would be the answer, if the question were raised: "Why are the respective proportions of public money going into these three main sectors in Canada so different from that in other countries?" For example, we are the lowest of all the OECD countries in public founding of industrial research, I understand.

Dr. Schneider: I mentioned this before, and perhaps we should understand the particular situation in industrial research. Beyond that, I should say I do not think the comparisons with other countries should be taken too literally.

For example, this is a country with tremendous national and natural resources, so naturally the first step is to develop these—and this is why we have research in the Department of Agriculture, in the Department of Energy, Mines and Resources, in the Department of Fisheries, in the Department of Forestry and so on. There are tremendous natural resources to develop. Of course, this kind of development would not be the kind

that industry would normally do by itself, so we have a lot of Government research and Government departments specifically related to development of natural resources.

Many other countries do not have these resources so you do not find these research departments in other countries. This explains to a large extent why we have in this country relatively more research on a percentage basis in Government laboratories than in some other countries—that, together with the fact that we have so little research in industries.

This is the picture here. We have certain problems, as you know. We have many foreign-owned companies, subsidiaries of parent companies, where they have been able to import quite a lot of technology. This, if you like, explains the past pattern but I do not think any one of us would agree that this is a proper or appropriate or acceptable pattern for the future.

Senator Grosart: I notice the suggestion has been made that a realistic role for the NRC might be confinement to this area of basic research or pure research, whatever you like to call it. I see you anticipated this, in the closing paragraph of your brief. Would it not make sense for the NRC now to assume this specific role, obtain a grant from Parliament for pure research, and confine itself to this?

I do not necessarily mean that you have to work in isolation, as you suggested here, but in co-operation with others. If the NRC took on this one such function, would this make sense?

Dr. Schneider: In my view, no. If this came about it would be pretty hard to justify the existence of the NRC at all because, while it was not true in the past, we now have some very strong research laboratories and universities doing basic research. Therefore, why have an institution which concerns itself only with basic research in a government establishment? Even though we do a certain amount of basic research—and this is really to back up the applied research programs that we are carrying out and to enable us to have an awareness of front-line science so that we can do a good job in the application of science and be aware of new opportunities—you have to have some activity in front-line science. It seems to me the real strength of the Council would be in bringing all these together and taking an overall view of the needs of the country. The co-ordination and